

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  INTRASTATE ACCESS SERVICE CHARGES [199 IAC 22.14(2)"d"(1)]	DOCKET NO. RMU-03-11
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**ORDER COMMENCING RULE MAKING**

(Issued July 18, 2003)

Pursuant to the authority of Iowa Code §§ 17A.4, 474.5, 476.1, 476.2, and 476.4 (2003), the Utilities Board (Board) proposes to adopt the rules attached hereto and incorporated herein by reference. These rules amend 199 IAC 22.14(2)"d"(1) to reflect the Board's current practices with respect to rate-regulated incumbent local exchange carriers (ILECs) and with respect to competitive local exchange carriers (CLECs) that compete with ILECs that have lower intrastate access charges. This proceeding has been identified as Docket No. RMU-03-11.

At present, 199 IAC 22.14(2)"d"(1) reads as follows:

d. All intrastate access service tariffs shall comply with the following:

(1) Carrier common line charge. The rate for the intrastate carrier common line charge shall be three cents per access minute or fraction thereof for both originating and terminating segments of the communication. The carrier common line charge shall be assessed to exchange access made by any interexchange telephone utility, including resale carriers. In lieu of this charge, interconnected private systems shall pay for access as provided in 22.14(1)"b."

This subparagraph mandates a specific rate for the Carrier Common Line (CCL) charge at three cents per access minute for all local exchange utilities. This

subparagraph is out of date with the current practices of the Board with respect to rate-regulated local exchange carriers and needs to be revised. The CCL rates for rate-regulated local exchange carriers are established pursuant to applicable price regulation plans under Iowa Code § 476.97 and not this subrule. The following table reflects the current rate-regulated CCL tariffed rates:

	<u>Originating Rate</u>	<u>Terminating Rate</u>
Qwest Corporation <sup>1</sup>	\$0.0012580	\$0.001258
Iowa Telecom. Services <sup>2</sup>	\$0.0268524	\$0.030000
Frontier Comm. of Iowa <sup>3</sup>	\$0.0124430	\$0.019604

The Board is proposing to revise this subparagraph to reflect this fact.

This subparagraph also creates a potential conflict with the Board's "Final Decision and Order" in Re: FiberComm, L.C., et al., v. AT&T Communications of the Midwest, Inc., Docket No. FCU-00-3, issued on October 25, 2001.<sup>4</sup> In that order, the Board found that CLECs have market power with respect to providing access services to interexchange carriers that must complete calls to local exchange customers of the CLECs. Pursuant to Iowa Code § 476.101(1), this finding authorized the Board to apply other provisions of chapter 476 to the CLECs.

Accordingly, the Board applied its authority pursuant to § 476.3 to require CLECs that

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<sup>1</sup> Qwest Corporation, Iowa Tariff No. 4 Access Service, Section 3, Sheet 12.

<sup>2</sup> Iowa Telecommunications Services, Inc., Iowa No. 2 – Facilities For Intrastate Access, p. 354.

<sup>3</sup> Frontier Communications of Iowa, Inc., Access Service Tariff, Section 3, Page 80.1.

<sup>4</sup> The Board's finding that CLEC access rates are not just, reasonable, and nondiscriminatory when the CLEC is competing with an ILEC with lower access rates, and the Board's finding that the 3-cent per minute CCL charge should be removed from CLEC access rates in those circumstances, were reversed on judicial review. AT&T Communications of the Midwest, Inc., v. Iowa Utilities Board, Polk County No. AA-CV-3985, "Ruling On AT&T's Petition For Judicial Review And Ruling On Complainants' Intervention And Claim Adverse To Petitioner And Respondent," issued March 19, 2003. That District Court decision has been appealed to the Iowa Supreme Court as AT&T Communications of the Midwest, Inc., v. Iowa Utilities Board, No. 03-0648.

concur in the Iowa Telephone Association (ITA) Access Service Tariff No. 1, and that offer service in exchanges where the ILECs access rate is lower than the ITA access tariff rate, to remove the three-cent CCL rate element from their access tariff. This subrule should be amended to be consistent with the "Final Decision and Order" in Docket No. FCU-00-3.

Accordingly, the Board proposes the following amendment to subparagraph 22.14(2)"d"(1):

d. All intrastate access service tariffs shall ~~comply with~~ incorporate the following:

(1) Carrier common line charge. The rate for the intrastate carrier common line charge shall be three cents per access minute or fraction thereof for both originating and terminating segments of the communication. The carrier common line charge shall be assessed to exchange access made by any interexchange telephone utility, including resale carriers. In lieu of this charge, interconnected private systems shall pay for access as provided in 22.14(1)"b."

a. Rate-regulated local exchange utility intrastate access service tariffs shall include the carrier common line charges approved in their price regulation plan, or as otherwise approved by the board.

b. A competitive local exchange carrier that concurs with the Iowa Telephone Association (ITA) access service tariff no. 1, and that offers service in exchanges where the incumbent local exchange carrier's intrastate access

rate is lower than the ITA access rate, shall remove the carrier common line charge from its intrastate access service tariff.

The proposed amendment will cause the rule to better reflect the access rates of the rate-regulated local exchange carriers and will also address the Board's concerns identified in Docket No. FCU-00-3.

**IT IS THEREFORE ORDERED:**

1. A rule making proceeding identified as Docket No. RMU-03-11 is commenced for the purpose of receiving comments on the proposed rules in the notice attached hereto and incorporated herein by reference in this order.

2. The Executive Secretary is directed to submit for publication in the Iowa Administrative Bulletin a notice in the form attached to and incorporated by reference in this order.

**UTILITIES BOARD**

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper  
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 18<sup>th</sup> day of July, 2003.

## **UTILITIES DIVISION [199]**

### **Notice of Intended Action**

Pursuant to Iowa Code sections 17A.4, 474.5, 476.1, 476.2, and 476.4, the Utilities Board (Board) gives notice that on July 18, 2003, the Board issued an order in Docket No. RMU-03-11, In re: Intrastate Access Service Charges, "Order Commencing Rule Making." The Board is proposing to amend 199 IAC 22.14(2)"d"(1) to reflect the Board's current practices with respect to rate-regulated incumbent local exchange carriers (ILECs) and with respect to competitive local exchange carriers (CLECs) that compete with ILECs that have lower intrastate access charges. The proposed amendments would have no effect on the intrastate access charges of incumbent local exchange carriers that are not subject to the Board's rate regulation authority. The background and support for the proposed amendment can be found in the order issued concurrently with this notice and posted on the Board's Web site, [www.state.ia.us/iub](http://www.state.ia.us/iub). This order is also available in hard copy for review or purchase at the Board's Records Center, 350 Maple Street, Des Moines, Iowa 50319-0069; telephone (515)281-5563.

Pursuant to Iowa Code section 17A.4(1)"a" and "b," any interested person may file a written statement of position pertaining to the proposed amendments. The statement must be filed on or before August 28, 2003, by filing an original and ten copies in a form substantially complying with 199 IAC 2.2(2). All written statements should clearly state the author's name and address and should make specific reference to this docket. All

communications should be directed to the Executive Secretary, Iowa Utilities Board, 350 Maple Street, Des Moines, Iowa 50319-0069.

An oral presentation to receive comments on the proposed amendments is scheduled. The presentation will be held at 10 a.m. on September 23, 2003, in the Board's hearing room at the address listed above. Persons with disabilities who require assistive services or devices to observe or participate should contact the Utilities Board at (515)281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

This amendment is intended to implement Iowa Code sections 17A.4, 474.5, 476.1, 476.2, and 476.4.

The following amendment is proposed.

Item 1. Amend subparagraph 22.14(2)"d"(1) by revising it to read as follows:

d. All intrastate access service tariffs shall ~~comply with~~ incorporate the following:

(1) Carrier common line charge. The rate for the intrastate carrier common line charge shall be three cents per access minute or fraction thereof for both originating and terminating segments of the communication. The carrier common line charge shall be assessed to exchange access made by any interexchange telephone utility, including resale carriers. In lieu of this charge, interconnected private systems shall pay for access as provided in 22.14(1)"b."

a. Rate-regulated local exchange utility intrastate access service tariffs shall include the carrier common line charges approved in their price regulation plan or as otherwise approved by the board.

b. A competitive local exchange carrier that concurs with the Iowa Telephone Association (ITA) access service tariff no. 1, and that offers service in exchanges where the incumbent local exchange carrier's intrastate access rate is lower than the ITA access rate, shall deduct the carrier common line charge from its intrastate access service tariff.

July 18, 2003

/s/ Diane Munns

Diane Munns  
Chairman